

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES**

**Call to Order:** By **CHAIRMAN CHRISTINE KAUFMANN**, on January 11,  
2005 at 8:00 A.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Christine Kaufmann, Chairman (D)  
Sen. Dan Weinberg, Vice Chairman (D)  
Sen. John Cobb (R)  
Rep. Joey Jayne (D)  
Sen. Greg Lind (D)  
Rep. Walter McNutt (R)  
Rep. Penny Morgan (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Pat Gervais, Legislative Branch  
Laura Good, Committee Secretary  
Lois Steinbeck, Legislative Branch

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**CHAIR REP. CHRISTINE KAUFMANN, HD 81, HELENA,** called the meeting to order, requested that the committee secretary note the role, and invited Mr. David Ewer, Budget Director, office of Budget and Program Planning, to address the committee.

**{Tape: 1; Side: A; Approx. Time Counter: 0.8}**

**Mr. Ewer** presented an overview of comments from Governor Schweitzer's administration regarding budget philosophy and the use of tobacco revenue, as voted to increase through June 2004's I-149. He informed the committee of the administration's two general principles for use of tobacco monies, which include honoring the people's mandate to use tobacco monies toward tobacco prevention programs; and respecting the fact that if increased prevention measures succeed, tobacco monies will decrease.

**Mr. Ewer** referred the committee to Page 1 of Exhibit 1, a set of charts regarding Tobacco Settlement Revenue and Funds Distribution. In summary, he advised the committee to develop further tobacco prevention programs and to work to move tobacco funded programs into general fund monies.

**EXHIBIT(jhh07a01)**

**Mr. Ewer** noted Governor Schweitzer's suggestions for spending of I-149 revenue, as outlined on Page 3. He also emphasized the importance of safeguarding the sustainability of tobacco-funded programs, and advised that the committee consider holding some tobacco tax monies in reserve, in order to partially cover future shortfalls. He pointed to the lag between the January 1, 2005 tobacco tax increase and the date of commencement for tobacco-funded programs as proof of an initial surplus of which the committee might choose to take advantage.

Pointing members to Page 4, **Mr. Ewer** stated that the programs noted in the right-hand column, including Medicaid Support, Medicaid Provider Rates & Service, CHIP expansion and Children's Medicaid, Prescription Drug Program, and Insurance Tax Credits, would be sustainable for only eleven years through tobacco monies. He suggested that the committee consider instating sunsets on these programs. **Mr. Ewer** also said that he was willing to speak this morning on behalf of the Administration regarding its thoughts on Provider Priority issues. Finally, **Mr. Ewer** thanked the committee for its time and attention.

**{Tape: 1; Side: A; Approx. Time Counter: 23}**

**SEN. JOHN COBB (R), SD 9, AUGUSTA**, asked Mr. Ewer if a bill were in place to create a reserve account. **Mr. Ewer** replied that he does not have such a bill.

**SEN. COBB** went on to offer two comments. First of all, **SEN. COBB** directed Mr. Ewer and the committee to Page 2, noting the chart in which MDC money goes to childcare and stating that he will later provide ideas regarding a funding switch. Secondly, he estimated that the OBPP proposed budget is \$4-6 million short in Medicaid funding, and that he will attempt to cover this gap by diverting monies from other I-149 groups to Medicaid. He stated that he will not use prevention monies shortfall, and said that he would talk further with Mr. Ewer on this matter.

*{Tape: 1; Side: A; Approx. Time Counter: 25.6}*

**SEN. GREG LIND (D), SD 50, MISSOULA**, requested more information on issues regarding sustainability of master settlement monies. **Mr. Ewer** stated that sustainability is a major concern for all agencies receiving master settlement monies funding.

**SEN. DAN WEINBERG (D), SD 2, WHITEFISH**, asked if tobacco prevention programs were projected to provide any health care savings.

**Mr. Ewer** stated that OBPP has not created any models to quantify such savings, and deferred to the Department of Health and Human Services (DPHHS). **Mr. John Chappuis, Deputy Director, DPHHS**, expressed that he would expect such savings but had no model to back this up.

**REP. PENNY MORGAN (R), HD 57, BILLINGS**, expressed her concern that I-149 funded programs may require sunsets. **Mr. Ewer** replied that under a guiding principle of fiscal responsibility, sunsets are a necessary consideration.

*{Tape: 1; Side: B}*

**CHAIR KAUFMANN** relayed a question also regarding the law that the voters passed. She remarked that I-149 is authorized to fund CHIP funding, the Insurance Tax Credit, the Medicare Provider Rates and Prescription Drug program. She noted that the Governor's proposal has added Medicaid Support to this list, doing so with the contention that this addition was made in the spirit of the voter's mandate. **CHAIR KAUFMANN** countered that tobacco monies were not to be used to supplant or support existing programs, and asked Mr. Ewer if, in the event that tobacco monies were approved for Medicaid support, he would recommend that the legislature change I-149 accordingly.

**Mr. Ewer** expressed that the committee must weigh all proposals and ideas, and act in the best interest of the Montana people.

**{Tape: 1; Side: B; Approx. Time Counter: 9.3}**

**Mr. Bob Andersen, Office of Budget and Program Planning (OBPP)**, commended Mr. Ewer for his hands-on work in the architecture of tobacco settlement spending. He also referred to yesterday's committee meeting, explaining that CHIP funding had been re-worked so that a lag in private donation monies would not adversely effect CHIP funding as a whole. He stated that CHIP can currently cover more than 10,900 children. Regarding Medicaid support, he said that the state was not supplanting funding, but was going to have to re-authorize a bill similar to SB-185 prior to July 1, 2005.

**CHAIR KAUFMANN** asked Ms. Steinbeck to comment on the matter of donation component and supplanting.

**Ms. Steinbeck** began by explaining that private donations do not require an appropriation to be spent. She also noted that the Governor's budget request for CHIP matching funds includes about \$2 million in I-149 funds that support services funded by the 2005 biennium appropriation level. Finally, she explained that non-supplantation language included in I-149 does not allow increased tobacco taxes to be used to fund CHIP enrollment levels that were supported by the 2005 biennium appropriation nor general fund to pay state Medicaid matching costs calculated in the normal trended utilization projection.

**REP. JOEY JAYNE (D), HD 15, ARLEE**, asked Ms. Steinbeck for clarification on the amount of shortfall in the Governor's proposed budget.

**{Tape: 1; Side: B; Approx. Time Counter: 17.3}**

**Ms. Steinbeck** answered that the subcommittee would need to find \$2 million in state funds before it used I-149 money for CHIP match. She reiterated that the Schweitzer budget relies on I-149 money for what the statute would consider base level appropriations.

**REP. JAYNE** expressed that if this is true, then the committee needs more information on each of the five areas which the Schweitzer budget proposes to cover using I-149 revenue. **Ms. Steinbeck** concurred.

**Mr. Andersen** chose not to comment further, deferring to Ms. Steinbeck's comments.

**CHAIR KAUFMANN** asked representatives from the Alliance for a Health Montana (AHM) to begin their presentations. They passed out a packet of information detailing their 2005 Legislative Proposals.

**EXHIBIT(jhh07a02)**

***{Tape: 1; Side: B; Approx. Time Counter: 21.2}***

Prior to AHM presentations, **Mr. John Morrison, Montana State Auditor and Insurance Commissioner**, addressed the committee.

**Mr. Morrison** stated that one in five Montanans do not have health insurance. Of the 175,000 uninsured, 70% are employed and 85% live in households where at least one person is employed. He cited medical bills as the leading cause of personal bankruptcy in Montana, and noted that Montana hospitals spend at least \$1 million each year caring for uninsured patients, thus driving up overall rates. He also reported that 60% of small businesses are not able to afford health insurance coverage for their employees.

**Mr. Morrison** proposed using increased tobacco tax revenue toward tax credits for small businesses who purchase employee health insurance, implementation of an AARP-backed prescription drug program for senior citizens, full funding for CHIP in order to maximize the draw-down of federal dollars, and Medicaid provider rate increases. 2003 Session's HB-204 would have accomplished these things, but was not adopted.

**Mr. Morrison** stated that the I-149 implementation on which he is focused is the tax credit for small businesses. He has currently allocated 60% of revenue to small business health insurance purchasing pools, which would be governed by a state-appointed board and tasked to negotiate affordable plans for small businesses that cannot currently afford to purchase health insurance for their employees. The remaining 40% would fund a tax credit for small businesses who currently provide health insurance coverage, but struggle to do so. For more information on the Governor's proposed plans, he referred members to a handout on the Small Business Health Insurance Affordability Act.

**EXHIBIT(jhh07a03)**

***{Tape: 2; Side: A}***

**SEN. COBB** requested more information on leveraging, which Mr. Morrison will be happy to provide.

**SEN. GREG LIND (D), SD 50, MISSOULA,** asked if the small business purchasing pools would facilitate self-insurance for small businesses, or if the boards would interact with third party administrators, insurance companies and/or health services corporations. He also asked if the proposal would help small business owners cover the often prohibitive Multiple Employer Welfare Arrangements (MEWA) start-up capital.

*{Tape: 2; Side: A; Approx. Time Counter: 2.3}*

**Mr. Morrison** replied that tax credits are not available to those who are self-insuring, but only to the 40% of businesses who are currently having difficulty providing employee health insurance coverage. **Mr. Morrison** also stated that as far as he knows, this package does not propose any changes to current state MEWA law.

**CHAIR KAUFMANN** requested that Mr. Morrison briefly explain MEWA, which he did. He noted that this language was developed by the federal government in its RISA dealings.

**REP. MORGAN** asked about the schedule of tax credits for small businesses. **Mr. Morrison** said that tax credits for small businesses within the purchasing pool would be advanceable, meaning that the credits would arrive monthly in order to help them pay their monthly premium fees. For small businesses in the 40% group, tax credits would be refundable at the end of the year. He noted that the committee could choose to make refunds for the latter group advanceable, as well, if it so desired.

*{Tape: 2; Side: A; Approx. Time Counter: 8.8}*

**SEN. WEINBERG** asked for a comparison of the number of people that would benefit from the rebate plan, versus those that might benefit from widespread use of MEWAs.

**Mr. Morrison** expressed that he does not encourage the development of MEWAs, as they often present difficult solvency and regulatory issues, but that he does not know how many people might benefit from MEWA expansion. He referred back to Senator Lind's earlier comment that necessary start-up capital often keep small businesses from joining MEWAs. Finally, he directed members to the charts on the back of Exhibit 3, which detail the proposed plan's Coverage Estimates for Year 1 (2006) and Year 2 (2007).

**CHAIR KAUFMANN** asked if medical savings accounts were built into the proposed plans. **Mr. Morrison** explained that medical savings accounts are not built into the plans, but that the plans also do not preclude the use of medical savings plans.

**{Tape: 2; Side: A; Approx. Time Counter: 12.9}**

**Mr. Jim Ahrens, Chairman of the Alliance for Healthy Montanans,** took the stand. He introduced the morning's AHM presenters and invited **REP. MARY CAFERRO (D), HD 80, HELENA,** the first presenter, to address the committee.

**{Tape: 2; Side: A; Approx. Time Counter: 17.4}**

**REP. CAFERRO** noted her previous work on I-149 as a representative of WEEL (Working for Equality and Economic Liberation), and stated that she addressed the committee this morning as Chairperson for the Subcommittee on CHIP. She offered members the recommendations of the CHIP Subcommittee.

**REP. CAFERRO** she voiced the CHIP Subcommittee's recommended top priority as the expansion of CHIP. She thanked DPHHS for spearheading the 3,000 child CHIP expansion through the utilization of \$1 million state funds and \$4 federal matching funds. She then overviewed the Governor's Budget increase in funds to cover Medicaid eligible children who come to the state through CHIP. Next, she recommended that the committee eliminate the Medicaid asset test. This would allow 3,400 children who are currently on CHIP rolls to move over non-federally-capped Medicaid services, and thus free up 3,400 CHIP slots.

Finally, she reported that the CHIP Subcommittee recommended re-installation of the 2002 CHIP Mental Health Wrap-Around Program, which can be covered by \$343,000 state funds and a \$1.3 million federal CHIP match. These recommendations allowed 8,000 children to be covered, used \$3.6 million state funds and more than \$12 million federal funds.

**{Tape: 2; Side: A; Approx. Time Counter: 22}**

**SEN. COBB** asked if these recommendations were reflected in the Governor's budget.

**REP. CAFERRO** stated that three of the items are a part of the Governor's budget.

**SEN. COBB** requested specific information regarding the varying budget proposals, so that committee members may compare them.

**REP. CAFERRO** agreed to provide such information on behalf of the CHIP Subcommittee.

**CHAIR KAUFMANN** asked if Montana is approaching federal limits on CHIP enrollment.

**REP. CAFERRO** replied that Montana is maximizing its federal CHIP match at this time. She also noted that CHIP is currently moving through federal legislation, and recommended that the state wait to make major CHIP decisions until the federal legislation is finalized.

**SEN. COBB** requested information on any existing care differences between CHIP and Medicaid, and problems associated with moving individuals from one program to the other.

**REP. CAFERRO** remarked that Medicaid has an excellent comprehensive healthcare package. Regarding access issues she deferred to **Mr. Chappuis**, who explained that although Medicaid stigma certainly exists, individuals are generally very pleased at the physician and provider network available to them through the program. He also noted that under federal legislation, CHIP children identified as Medicaid eligible must move to Medicaid.

*{Tape: 2; Side: A; Approx. Time Counter: 26}*

**REP. JAYNE** referred to yesterday's committee discussion on ways in which movement between CHIP and Medicaid can cause discrepancies in mental health care coverage, and requested **REP. CAFERRO**'s thoughts on this matter.

**REP. CAFERRO** remarked that her proposal differs from the proposal outlined in the Health Insurance Flexibility and Accountability (HIFA) proposal, and that the CHIP wraparound component of her proposal eliminates mental health services disparities or problems.

*{Tape: 2; Side: B; Comments: No audio is recorded on Tape 2, Side B.}*

*{Tape: 3; Side: A}*

**Ms. Claudia Clifford, American Association of Retired Persons (AARP)**, addressed committee members, offering Exhibits 4 and 5.

[EXHIBIT\(jhh07a04\)](#)

[EXHIBIT\(jhh07a05\)](#)

Referring to Exhibit 5, **Ms. Clifford** enumerated AARP's recommendations in estimated annual expenditures. These include Montana Rx Access, a program to provide prescription drug benefits to Medicare Beneficiaries, Kids with Special Health Needs, and Patients Classified as disabled under Social Security Income (SSI) Standards. It also includes Montana Rx Plus, a state pharmacy discount program for the uninsured; Evidence-Based



Research on the Comparative Effectiveness of Rx Drugs, the Montana PharmAssist Program, counter-detailing education outreach for prescribing professionals, and Departmental Administration. She noted in conclusion that Rx Plus would not require a Medicaid expansion waiver.

**CHAIR KAUFMANN** inquired as to which proposals AARP considers optional.

**Ms. Clifford** stated that AARP considers as optional the Montana Rx Plus Discount Plus program.

*{Tape: 3; Side: A; Approx. Time Counter: 11.7}*

**SEN. COBB** asked if AARP's proposed prescription drug programs would affect only senior citizens.

**Ms. Clifford** explained that AARP's proposed prescription drug programs would affect those on Medicare, those disabled under SSI standards, and children with special needs.

**Ms. Janie McCall, Alliance for Healthy Montanans Provider Workgroup Representative**, introduced herself to the committee and noted that her professional background includes lobbying work with the Montana Diabetes Association a provider association. She provided committee members with a packet of information, which included a packet entitled I-149 Medicaid-Provider Reimbursement Overview and Proposal.

**EXHIBIT**(jhh07a06)

**Ms. McCall** walked the committee through the packet, emphasizing the Provider Summary Statements on Pages 2 through 6, which cover proposals regarding Children's Mental Health Providers, Community Based Developmental Disabilities Providers, Dentists, Hospitals, Long Term Care - Community Based, and Long Term Care - Skilled Nursing Facility/Nursing Home.

*{Tape: 3; Side: A; Approx. Time Counter: 19.5}*

When asked by **CHAIR KAUFMANN** to expanded on the services portion of the proposal, **Ms. McCall** noted that proposed service expansion centers on mental health services for Adults and Non-Seriously Emotionally Disturbed Children, as well as services to treat low birth weight infants, provide pulmonary rehabilitation services, and additional health care services in the community. **Ms. McCall** went on to explain that of \$10.6 million requested funds, \$900,000 was allocated for new services.

**CHAIR KAUFMANN** asked how the Governor's proposal would affect the ratio between money spent on provider rate increases and funds allocated for development of new services. **Ms. McCall** deferred to Mr. Chappuis, who reported that he did not have the requested information.

**CHAIR KAUFMANN** followed up again, asking if increased rates would improve access and for studies that prove this definitively.

**Ms. McCall** agreed to provide these studies, and reminded the committee that many agencies and programs involved in such research are often unable to afford Quality Control or Quality Assurance measures, let alone recording of related data.

*{Tape: 3; Side: A; Approx. Time Counter: 23.4}*

**REP. JAYNE** asked about the discrepancy between direct service works and their state worker counterparts.

**Ms. McCall** deferred to **Mr. Joe Matthews, Administrator of the Developmental Disabilities Services Division**, who reported that there are 52 non-profit service providers caring for Developmental Disabilities (DD) consumers. Their employees are paid significantly less than workers under the state pay-plan at the Montana Developmental Center. **Mr. Matthews'** biggest concern is that rates equalize in order to ensure good workers and systems in both places.

**CHAIR KAUFMANN** asked committee staff to comment on the issue of parity between state and private wages.

**Ms. Steinbeck** explained that as Mr. Davis had noted in the first week of committee hearings, comparing wage rates of private contractors to wages paid in one particular state agency could be misleading. She also noted that community service providers are not necessarily competing with the state workforce pool and most are not competing with the Montana Developmental Center in particular.

*{Tape: 3; Side: A; Approx. Time Counter: 27.9}*

**Ms. Gervais** also remarked that the rate matrix on which community services providers reimbursement is based has not been rebased since its inception in 1998. A pending lawsuit on this issue will be heard in August 2005. She also echoed concerns about equalizing parity issues across state agencies.

**REP. JAYNE** stated that the legislature increased the DD system provider rate four years ago. She asked if the parity issue existed at that time.

*{Tape: 3; Side: B}*

**Ms. Gervais** replied that the legal issues undergirding this matter should be investigated further.

**Ms. Kristin Page Nai, American Cancer Society State Government Relations**, addressed the committee, offering a packet of information, which included a document detailing I-146 Work Group of Healthy Kids/Healthy Montana Group Recommendations. She stated that the participating workgroup included representatives from Bluecross/BlueShield Montana, the State Auditor's Office, WEEL, the American Cancer Society, and the American Lung Association.

**EXHIBIT** (jhh07a07)

**Ms. Nai** led the committee through the information provided and offered her workgroups recommendations, after which **REP. MORGAN** requested Ms. Nai's ideas regarding effective enforcement of tobacco laws.

**Ms. Nai** explained that the Department of Justice's Department of Gaming currently handles enforcement of tobacco laws. She expressed that her plan would expand the number of investigators in the field and increase programs and infrastructure related to prevention of tobacco internet sales to minors.

Following a brief break, **CHAIR KAUFMANN** reconvened the meeting at 10:25 a.m.

*{Tape: 3; Side: B; Approx. Time Counter: 21.7}*

**Mr. Chappuis** re-introduced **Mr. Matthews**, who could comment on the Disability Rate System and efforts to establish rate parity.

Responding to a question from **SEN. COBB**, **Mr. Matthews** noted that increased DD funding would allow the Department to increase Direct Care Staff wages from 25% pay to 31% pay, which could lead to a \$1.50-\$1.75 raise for those currently in the \$5-\$7/hour bracket.

**CHAIR KAUFMANN** asked whether or not DD could control the wages its contractors offer to direct care workers.

**Mr. Matthews** deferred to **Ms. Steinbeck**, who confirmed that there is no guarantee that a rate increase would lead to increased salaries for direct care workers.

Responding to **REP. MORGAN**, **Mr. Matthews** discussed how DSD uses Medicaid Waiver.

*{Tape: 4; Side: A}*

**Ms. Kelly Williams, Senior Long Term Care (SLTC) Division**, began her presentation with an overview of the facilities under SLTC. She led the committee through SLTC I-149 priorities as outlined on Exhibit 8.

**EXHIBIT** (jhh07a08)

**SEN. COBB** asked for clarification regarding the average wage of SLTC direct care providers, who would receive a raise under this proposal. **Ms. Williams** said that the low-end average wage is \$8.41/hour under self-direct program or \$7.40/hour under agency-based program, and discussed the terms of the proposed raise.

**SEN. COBB** followed up with a question comparing DD direct care wages to direct care wages for other services. **Ms. Williams** agreed to check on that information and provide it to the committee.

**SEN. WEINBERG** asked how long SLTC contracts with its service providers. **Ms. Williams** replied that SLTC has no contracts, per se, for service providers. Most are enrolled in the Medicaid program to provide a specific category of service. SLTC sets an annual rate for providers on July 1 of each year. SLTC does contract with case management entities who oversee service delivery.

*{Tape: 4; Side: A; Approx. Time Counter: 6.8}*

**SEN. WEINBERG** followed up with a question on rate-setting, asking if SLTC considers the payment of direct care workers relative to the managers.

**Ms. Williams** replied that targeted direct care wage initiatives have excluded upper-level management from distribution of wage increases.

**Ms. Steinbeck** explained to the committee that Medicaid rates are typically not negotiated between divisions and care providers, Rather, the state sets a rate and care providers decide whether or not to provide the service requested at the rate offered. **Ms.**

**Steinbeck** also noted that the issue complicating DD rate changes is that in the past, DD has negotiated with care providers, and is now requiring that they abide by state-determined rates. The Government Accounting Office (GAO) found rate negotiation to be in violation of Medicaid regulations.

**SEN. COBB** asked how long the waiting list is for the SLTC program to which the division hopes to add ten slots. **Ms. Williams** responded that the waiting list is at a stable 450 individuals.

*{Tape: 4; Side: A; Approx. Time Counter: 9}*

**Ms. Joyce De Cunzo, Administrator of Addictive and Mental Disorders Division (AMDD)**, referred members to the AMDD portion of Exhibit 8 and explained that her division's proposal would focus tobacco monies on mental health services.

**SEN. COBB** requested more information about the home and community based waiver, asking specifically about the possibilities and projected results of starting this program earlier. **Ms. De Cunzo** agreed to provide this information to the committee.

**SEN. WEINBERG** asked Ms. De Cunzo to explain the process of community reintegration following institutionalization. **Ms. De Cunzo** replied with an anecdote recounting the thrill of preparing meals, visiting neighborhood parks, and taking adult education classes, as experienced by nursing care center patients who were transferred to group home setting.

When asked by **REP. JAYNE** about Medicaid implications of the proposed programs, **Ms. De Cunzo** said that both of the programs are Medicaid matching programs.

**Mr. Chuck Hunter, Health Resources Division (HRD)**, also directed members to Exhibit 8, specifically highlighting HRD's 12 proposals. In response, **SEN. LIND** asked Mr. Hunter for information about the obstetrical care carve-out from Medicaid, which **Mr. Hunter** agreed to provide.

*{Tape: 4; Side: B}*

Next, **Mr. Hunter** referred the committee to a packet entitled "A System of Care for Children: Health and Human Services Appropriations Subcommittee". He also introduced Mr. Pete Surdock, Chief, Children's Mental Health Bureau.

**EXHIBIT**(jhh07a09)

**Mr. Hunter** guided the committee through the packet, beginning with a Presentation Overview and moving on to a System of Care Definition, an overview of Guiding Principles of a System of Care and HRD System of Care Philosophy. He also provided the committee with a history of pertinent legislation, which included mention of the division's application for and receipt of a Substance Abuse and Mental Health Service Administration (SAMSHA) grant covering systems of care for SED children.

**Mr. Hunter** went on to describe the public policy statement included in SB 454, the goals of SB 454, as well as the public policy statement included in SB 94 (2003). He explained the SB94 Craetion of the System of Care Planning Committee (SOCs), detailed SOCs Committee Membership, covered the Broad "System of Care" Vision, and defined and discussed the parameters of KMA (Kids Management Authority). Finally, he provided ideas on how to achieve division goals, through both "bottom up" and "top down" approaches.

**{Tape: 4; Side: B; Approx. Time Counter: 15.2}**

**Mr. Surdock** continued with a full presentation on the SAMSHA six-year, \$9.5 million grant, which partners the division with the Crow People to focus on infrastructure development. He detailed its management, oversight, local grant opportunities and project expectations. **Mr. Surdock** mentioned that federal reviewers were very impressed with the private-public joint commitment to bringing SAMSHA funds to the state, and use in-kind match to do so.

**CHAIR KAUFMANN** interjected with a question regarding the partnership with the Crow People. **Mr. Surdock** reported that Bill Schnell, tribe member and Crow Reservation Juvenile Justice program, and Colleen Old Elk, tribe member and manager of Human Service programs on the Crow Reservation, act as primary representatives from the Crow People. He also stated that the Crow People were very excited to work with the division to create a service model that works well for them and helps to move statewide mental health programs from illness treatment to recovery models.

**SEN. WEINBERG** requested more information regarding how monies will be spent on infrastructure development. **Mr. Surdock** replied that the monies will be directed to creating and supporting DMAs.

**{Tape: 4; Side: B; Approx. Time Counter: 26.5}**

**REP. JAYNE** asked if the SOC committee included a Governor's Office representative. **Mr. Surdock** reported that while there was

not an official representative, the SOC committee received guidance from Jean Granscombe in the Governor's Office.

**REP. JAYNE** expressed that poverty is a root cause for many of Montana's problems. She went on suggest that a formal representative from the Governor's Office sitting in on the Joint Subcommittee on Appropriations for Health and Human Services, as such a representative might be able to comment on economic development ideas designed to combat poverty.

**REP. JAYNE** followed up by asking **Dr. Robert Wynia, Director of DPHHS**, if he might be able to discuss this possibility with the Governor's Office.

*{Tape: 5; Side: A}*

**Dr. Wynia** agreed to do so.

**Ms. Steinbeck** noted the importance of top-down cooperation in the SOC committee. She also suggested that the committee consider altering statute to require various agencies' participation in the SOC committee.

**Mr. Hunter** resumed the floor, directing the committee to the packet for an overview of the goals of a state-wide system of care, noting the shifts in decision-making, agency cooperation, family involvement, and service funding undergirding its creation. He also discussed Legislative Opportunities Regarding System of Care, and Other Systems of Care Work, finally closing with remarks on the necessity of sustainable funding, family involvement, agency and community cooperation, and courage during times of system change.

**SEN. COBB** requested a timeline showing how the system of care may grow in the next two to four years, which **Mr. Hunter** agreed to provide.

*{Tape: 5; Side: A; Approx. Time Counter: 15.9}*

**Ms. Steinbeck** commented on Medicaid's Early Periodic Screening, Diagnosis and Treatment (EPSDT) program, describing it as an entitlement within an entitlement. She explained that when a state sets up its Medicaid Program, it can choose to incorporate a number of optional programs. Under EPSDT, if a child's screening reveals a disease and care for that disease is an allowable federal service, the treatment must be rendered by the state's Medicaid program, regardless of whether the service is part of the state Medicaid plan.

**Ms. Steinbeck** went on to note that the committee has heard a division initiative to develop the EPSDT program, most likely by increasing the number of children screened and increasing the frequency with which they are screened. She remarked on the 80% federal mandate stating that each child in Medicaid have an EPSDT screen within a particular time-frame.

***{Tape: 5; Side: A; Approx. Time Counter: 19.6}***

**Mr. Hunter** remarked that he hopes the EPSDT will help DPHHS to serve SED-risk kids earlier, and thus save funds on services otherwise rendered at a time when problems have complicated and compounded with age.

**Mr. Chappuis** closed the meeting with the good news that Montana has received approval for the Preferred Drug List.



**ADJOURNMENT**

Adjournment: 11:50 A.M.

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REP. CHRISTINE KAUFMANN, Chairman

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LAURA GOOD, Secretary

CK/LG

Additional Exhibits:

**EXHIBIT ([jhh07aad0.TIF](#))**